

RETURN DATE: DECEMBER 14, 2021

WILLIAM RAVEIS REAL ESTATE, INC.,
Plaintiff,

V.

NRT NEW ENGLAND, LLC d/b/a
COLDWELL BANKER RESIDENTIAL
BROKERAGE, JILLIAN KLAFF, KARA
FLANAGAN, BRENDAN GRADY, LISA
PASSAVANT AND KATE ROSSI
Defendants.

) SUPERIOR COURT
)
)
)
)

) JUDICIAL DISTRICT OF NEW HAVEN
) AT NEW HAVEN
)
)

) NOVEMBER 12, 2021

COMPLAINT

THE PARTIES

1. The Plaintiff, William Raveis Real Estate, Inc. (hereinafter, "Plaintiff" or "William Raveis") is, and at all times material to this Complaint has been, a corporation organized under the laws of the State of Connecticut with an office and place of business in Branford, Connecticut.

2. Defendant NRT New England, LLC d/b/a Coldwell Banker Residential Brokerages (hereinafter, "Coldwell") is a company organized under the laws of Delaware with a principal place of business in Madison, New Jersey. At all times material hereto, Coldwell is registered to conduct, has conducted, and is conducting, business in the State of Connecticut.

3. Plaintiff is informed and believes that Defendant Jillian Klaff (hereinafter, "Klaff") is an individual residing at 2 Mortar Rock Road, Westport, Connecticut. Klaff was affiliated with William Raveis as an independent contractor for the purposes of

engaging in the real estate business in Connecticut and as a "Mega Team Agent" until her disaffiliation from the company on October 12, 2021.

4. Plaintiff is informed that Defendant Kara Flanagan (hereinafter, "Flanagan") is an individual presently employed as Coldwell's Branch Vice President, Brokerage Manager for its West Hartford, Connecticut office, with a place of business at 992 Farmington Avenue, West Hartford, Connecticut and a place of residence at 147 Fern Street, Hartford, Connecticut.

5. Plaintiff is informed that Defendant Brendan Grady (hereinafter, "Grady") is an individual presently employed as Coldwell's Regional Senior Vice President, with a place of business at 360 Main Street #4, Ridgefield, Connecticut and a place of residence at 64 Rumford Street, West Hartford, Connecticut.

6. Plaintiff is informed that Defendant Lisa Passavant (hereinafter, "Passavant") is an individual presently employed as Coldwell's Branch Vice President, Brokerage Manager for its Westport, Connecticut office, with a place of business at 355 Riverside Avenue, Westport, Connecticut and a place of residence at 220 Riverside Avenue #6, Westport, Connecticut.

7. Plaintiff is informed that Defendant Kate Rossi (hereinafter, "Rossi") is an individual presently employed as President and Chief Operating Officer of Coldwell in Connecticut and Westchester, New York, with a place of business at 5951 Caddleridge Road, Sarasota, Florida.

NATURE OF THE ACTION

8. This case is about Coldwell's unfair business practices to improperly gain market share and to damage competition. Coldwell has tortiously interfered with the

contractual relationships of competitors, namely William Raveis. This conduct has damaged, and will continue to damage, William Raveis.

9. Coldwell has deliberately sought to misappropriate employees, agents, and business from William Raveis.

10. Coldwell's improper growth strategy is based on luring competitors' employees to breach their non-competition as well as non-solicitation agreements and to divulge confidential, proprietary information learned on their former jobs.

11. Coldwell improperly seeks to attract William Raveis's employees and agents not simply because of their skills, but to induce them to provide Coldwell with William Raveis's confidential and proprietary information.

12. William Raveis's managers, agents and employees have access to highly confidential information about William Raveis's business, including sales data, customer lists, agent splits, agent production and commissions, confidential client information and other nonpublic financial and business information.

13. Such confidential information is the product of years of resource-intensive hard work in an industry that is built, and depends on, cultivating valuable and loyal customer and agent relationships

FACTS COMMON TO ALL CLAIMS

William Raveis Real Estate

14. William Raveis is a family-owned, nationally ranked real estate company that provides comprehensive real estate, mortgage and insurance services. In the competitive field of providing such services, William Raveis has invested in, and continues to invest in, considerable resources to research and develop information,

marketing and advertising, methods and techniques to develop, maintain and nurture business relationships with customers.

15. William Raveis has invested substantial time and resources toward developing a reputation as a trusted real estate and mortgage broker. Because the nature of the real estate business involves one-on-one contact with prospective home buyers and continuous contact with the established customers, William Raveis relies heavily on its agents to foster and maintain the goodwill of its customers and other professionals in the real estate industry who refer clients to William Raveis. William Raveis has invested heavily in the recruitment and professional development of its agents to develop goodwill with both agents and customers.

16. William Raveis's success derives in part from confidential, proprietary and trade secret information, which it developed and improved over the past four decades through experience, ingenuity, hard work, and relationships with customers and real estate professionals. William Raveis shares its confidential information with its agents and trains them on using it. William Raveis's confidential, proprietary and trade secret information includes, *inter alia*, customer information and buying preferences, real estate price and market analyses, marketing plans and strategies.

17. William Raveis's confidential, proprietary and trade secret information is not part of the public domain. William Raveis has a legitimate business interest in maintaining the confidentiality of this information. It also has a legitimate business interest in maintaining relationships with its prospective customers, as well as preserving the loyalty of its agents who are responsible for William Raveis' customer relationships.

18. To protect its confidential, proprietary and trade secret information, as well as its goodwill and customer relationships, as is common in the real estate industry, William Raveis requires its agents to sign agreements which prohibit them from divulging William Raveis's confidential customer information, or, for a period of time, from employing or hiring any independent contractors, sales agents or employees of William Raveis or otherwise inducing William Raveis's independent contractors, sales agents or employees to disaffiliate from William Raveis.

Coldwell's Conduct

19. Coldwell has repeatedly attempted to poach William Raveis's affiliated agents and thus harm William Raveis's business. Coldwell has improperly lured and/or attempted to lure William Raveis's affiliated agents to affiliate with Coldwell.

20. Upon information and belief, Coldwell induces many of the agents it successfully recruits to provide information about the brokerages they just left, including employees and agent information Coldwell uses to solicit other recruits.

21. Upon information and belief, Coldwell recruits William Raveis's agents knowing that they have valid and existing non-compete and/or non-solicitation agreements and/or restrictive covenants with William Raveis.

Klaff's Affiliation and Agreements with William Raveis

22. Klaff joined William Raveis as a sales agent in or about May 2006. Upon her affiliation with William Raveis, on or about May 18, 2006, Klaff signed an Independent Contractor Agreement (the "Klaff ICA") with William Raveis. On or about that same date, Klaff signed an Independent Contractor Addendum (the "Klaff ICA Addendum") with William Raveis, which supplemented the Klaff ICA.

23. By way of the Klaff ICA, Klaff agreed that should she disaffiliate from William Raveis, she would not, either directly or indirectly, solicit on behalf of any person or entity other than William Raveis the business of any client who had a listing agreement, buyer/tenant presentation agreement, or any similar agreement with William Raveis until the term of such agreement ends.

24. Klaff further agreed, by way of the Klaff ICA, that during the term of the agreement, and for a period of one year thereafter, she would not employ or hire, or attempt to employ or hire, any independent contractors, sales agents or employees of William Raveis. She further agreed that should she breach this provision of her contract she shall pay William Raveis twenty-five thousand dollars for each breach of the non-solicitation provisions.

25. Klaff further agreed, by way of the Klaff ICA, that any breach or threatened breach thereof would cause irreparable damage to William Raveis and that William Raveis would not have an adequate remedy at law for such damage. Klaff further agreed that William Raveis would be entitled to a temporary restraining order, preliminary injunction and permanent injunction restraining her from such breach.

26. Klaff worked out of the William Raveis office in Westport, Connecticut.

27. In or about July 2010, Klaff signed a Loyalty Agreement (the "Klaff Loyalty Agreement") with William Raveis which supplemented the Klaff ICA. Under the terms of the Klaff Loyalty Agreement, and mutual covenants therein, Klaff agreed that if she were to terminate her affiliation with William Raveis for any reason, that she will not affiliate with or be employed by any competing real estate company located within a 15 mile radius of Westport, Connecticut.

28. On or about October 12, 2021, Klaff disassociated from William Raveis and promptly affiliated with Coldwell's Westport office.

Coldwell's Recent Recruitment of Klaff and other William Raveis Agents

29. Coldwell and, upon information and belief, Defendants Passavant and Rossi recruited Klaff to disassociate from William Raveis and to join Coldwell. Upon information and belief, Coldwell, Passavant and Rossi were aware of Klaff's contractual agreements with William Raveis, as set forth above, while negotiating with Klaff and encouraging her to immediately join Coldwell. Upon information and belief, Coldwell, through Passavant and Rossi, also encouraged Klaff to solicit other William Raveis agents to disaffiliate from William Raveis and to affiliate with Coldwell.

30. On or about October 12, 2021, William Raveis sent to Klaff, both by Federal Express as well as e-mail, a cease and desist letter. The letter was also sent to Passavant, among others. In the letter, William Raveis advised Klaff that her conduct in joining Coldwell's Westport office was in direct violation of Clause 2 of the Klaff Loyalty Agreement. William Raveis attached to this letter a copy of the Klaff Loyalty Agreement for Klaff's review. William Raveis advised Klaff that if she did not immediately cease and desist from breaching the Klaff Loyalty Agreement, then William Raveis would have no choice but to initiate legal action against both Klaff and Coldwell.

31. Klaff did not respond to William Raveis's October 12, 2021 cease and desist letter. Coldwell likewise did not respond.

32. On or about October 27, 2021, Klaff and Coldwell publicly announced their affiliation by, *inter alia*, a mass e-mail with the heading, in large, capitalized font: "THE BEST JUST GOT BETTER."

33. The phrase: "The Best Just Got Better" is a unique phrase routinely and consistently used by William Raveis in its public marketing efforts long before Klaff and Coldwell's improper use of it on October 27, 2021. William Raveis has expended substantial financial and other resources on its "The Best Just Got Better" marketing, and has featured the phrase in billboards, television commercials, radio commercials, print advertisements, brochures, flipbooks, YouTube videos, e-mail blasts, direct-mail postcards, and on its social media accounts; in Connecticut and elsewhere. In fact, William Raveis has a pending application with the United States Patent and Trademark Office for the trademark of this phrase.

34. In early November 2021, two William Raveis agents who were formerly members of Klaff's team at William Raveis – Sally Bohling ("Bohling") and Megan Donofrio ("Donofrio") – disaffiliated from William Raveis and joined Coldwell.

35. Upon information and belief, Klaff solicited, encouraged and induced Bohling and Donofrio to disaffiliate from William Raveis and to join Coldwell. Upon further information and belief, Klaff was assisted in her efforts by Coldwell.

36. Upon information and belief, in 2021, Coldwell, through Defendants Flanagan and Grady, also recruited Ellyn Marshall (hereinafter, "Marshall") and Paula Ostop (hereinafter, "Ostop") to disaffiliate from William Raveis and affiliate with or be employed by Coldwell. Upon further information and belief, Coldwell, through Flanagan and Grady, encouraged Ostop to solicit other William Raveis affiliates,

including but not limited to Marshall, to disaffiliate from William Raveis and to join Coldwell.

37. Both Marshall and Ostop are party to contractual agreements with William Raveis which would have been obstacles to them joining Coldwell and/or soliciting others to disaffiliate from William Raveis and to join Coldwell.

38. As set forth above, Klaff terminated her affiliation with William Raveis as a result of Coldwell's recruitment. Marshall and Ostop, however, decided to remain with William Raveis after intervention in the matter by William Raveis's legal counsel.

39. As a result of Coldwell's active recruitment of Marshall and Ostop, however, William Raveis was forced to offer unusual arrangements to those agents, and to expend hundreds of thousands of dollars to retain them.

CAUSES OF ACTION

COUNT ONE – BREACH OF CONTRACT (against Klaff)

1-39. Paragraphs 1 through 39 of the Complaint are hereby incorporated as if fully set forth herein as Paragraphs 1 through 39 of Count One.

40. Klaff's agreements with William Raveis are valid contracts supported by adequate consideration. William Raveis has the authority to enforce those agreements.

41. By virtue of the foregoing, Klaff has breached her agreements with William Raveis.

42. Upon her disaffiliation from William Raveis, Klaff became affiliated with or employed by a competing real estate company located within a 15 mile radius of Westport, Connecticut.

43. Further, either during her affiliation with William Raveis or immediately upon her disaffiliation from William Raveis, Klaff solicited, encouraged and induced her team members, Bohling and Donofrio, to disaffiliate from William Raveis and to join her at Coldwell.

44. Klaff's violations of her contractual obligations are ongoing.

45. As a result of Klaff's conduct, William Raveis has suffered and will continue to suffer economic damages, including, but not limited to, lost revenues, decrease in sales, and incurring costs and expenses, including attorney's fees.

COUNT TWO – BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING (against Klaff)

1-45. Paragraphs 1 through 45 of Count One are hereby incorporated as if fully set forth herein as Paragraphs 1 through 45 of Count Two.

46. As set forth above, Klaff was party to a contract and/or contracts with William Raveis. Implied in such contract(s) is a covenant of good faith and fair dealing.

47. William Raveis reasonably expected to receive certain benefits by virtue of its agreements with Klaff, among them that Klaff would not affiliate with a competing real estate company within a 15-mile radius of Westport, Connecticut upon her disaffiliation from William Raveis, and further that Klaff would not employ or hire, or attempt to employ or hire, any independent contractors, sales agents, or employees of William Raveis.

48. By disaffiliating from William Raveis and immediately affiliating with a competing real estate company in the same geographic location, as well as by soliciting, encouraging and inducing at least two of her former team members at

William Raveis to disaffiliate from William Raveis and to join her at Coldwell, Klaff breached her explicit contractual obligations to William Raveis.

49. Klaff's breaches were purposeful, knowing and intentional. They were not motivated by any mistake, misapprehension, or negligence. In fact, William Raveis explicitly reminded Klaff of her contractual obligations upon her disaffiliation from William Raveis. Klaff did not respond to William Raveis, but rather decided to proceed anyway to breach the parties' agreements. To add insult to injury, Klaff and Coldwell publicly announced their affiliation with a mass e-mail that misappropriated William Raveis's unique advertising mark: "THE BEST JUST GOT BETTER" (for which William Raveis has a trademark application pending). Klaff and Coldwell were aware of William Raveis's use of, and expenditure of substantial resources in, this distinctive phrase.

50. By engaging in the conduct set forth above, Klaff denied William Raveis of the right to receive the benefits of the parties' agreements.

51. At all times material hereto, Klaff acted with a dishonest purpose and interested motive; namely, she knowingly, purposefully and actively breached the parties' contracts, and publicly taunted William Raveis in her and Coldwell's announcement of their affiliation (by use of the phrase "The Best Just Got Better"), for the sole purpose of her own, and Coldwell's financial benefit.

52. William Raveis has sustained damages by Klaff's conduct as set forth herein.

COUNT THREE – AIDING AND ABETTING BREACH OF CONTRACT (against Defendants Coldwell, Passavant and Rossi)

1-52. Paragraphs 1 through 52 of Count Two are hereby incorporated as if fully set forth herein as Paragraphs 1 through 52 of Count Three.

53. Coldwell, Passavant and Rossi knew that Klaff's conduct in disaffiliating from William Raveis and affiliating with Coldwell constituted a breach of Klaff's contractual agreements with William Raveis.

54. Coldwell, Passavant and Rossi gave substantial assistance and/or encouragement to Klaff in connection with breaching her contractual obligations to William Raveis. To wit, Coldwell, Passavant and Rossi negotiated with Klaff and offered her incentives to disaffiliate from William Raveis and to enter into direct competition with William Raveis in Westport, Connecticut and surrounding locales.

55. Coldwell, Passavant and Rossi's encouragement and/or assistance was a substantial factor in causing Klaff to breach her contractual agreements with William Raveis. Without the financial and other offers from Coldwell, Passavant and Rossi, Klaff would not have breached her agreements with William Raveis.

56. William Raveis has been damaged by Coldwell, Passavant and Rossi's conduct as set forth herein.

COUNT FOUR – TORTIOUS INTERFERENCE WITH CONTRACT (against Defendants Coldwell, Flanagan, Grady, Passavant and Rossi)

1-56. Paragraphs 1 through 56 of Count Three are hereby incorporated as if fully set forth herein as Paragraphs 1 through 56 of Count Four.

57. As set forth above, contractual relationships existed between Klaff and William Raveis, Marshall and William Raveis, and Ostop and William Raveis.

58. Upon information and belief, Coldwell, Flanagan, Grady, Passavant and Rossi were aware of the contractual relationships between the aforesaid individuals and William Raveis.

59. Coldwell, Flanagan, Grady, Passavant and Rossi, as the case may be, intentionally interfered with the contractual relationships between Klaff, Marshall, and/or Ostop and William Raveis by encouraging those individuals to disaffiliate with William Raveis and to, in violation of their agreements with William Raveis, commence immediate affiliation with Coldwell, to enter into immediate competition with William Raveis, and/or to solicit other affiliates of William Raveis to join Coldwell. Coldwell, Flanagan, Grady, Passavant and Rossi engaged in this conduct in order to increase their own business and financial gain, and to directly harm a competitor by poaching its affiliate and business.

60. Coldwell, Flanagan, Grady, Passavant and Rossi's interference caused William Raveis to suffer damages, and will continue to cause such damages.

COUNT FIVE – CONNECTICUT UNFAIR TRADE PRACTICES ACT (against Defendants Klaff and Coldwell)

1-60. Paragraphs 1 through 60 of Count Four are hereby incorporated as if fully set forth herein as Paragraphs 1 through 60 of Count Five.

61. The actions of Klaff and Coldwell as set forth above were carried out in the conduct of trade and commerce, as those terms are defined in Section 42-110a(4) of the Connecticut General Statutes, and were done in the conduct of Coldwell and Klaff's principal trade or commerce of brokering the sale and/or lease of real estate.

62. Klaff and Coldwell's conduct was unfair and deceptive in violation of Section 42-110b of the Connecticut General Statutes.

63. The acts of Klaff and Coldwell described above were unfair in violation of Section 42-110b of the Connecticut General Statutes in that they offended public policy as it has been established by statutes and/or common law, and were within at least the penumbra of some common law, statutory or other established concept of fairness; were immoral, unethical, oppressive or unscrupulous, and caused substantial injury to William Raveis which it could not reasonably have avoided and which was not outweighed by any countervailing benefit to consumers or competition.

64. Klaff and Coldwell's conduct and acts described above were done with a reckless indifference to the rights of William Raveis or were an intentional and wanton violation of those rights.

65. The acts and omissions of Klaff and Coldwell described above caused William Raveis an ascertainable loss of money or property and caused William Raveis actual damages.

WHEREFORE, William Raveis seeks the following:

1. Money damages, costs and interest with respect to Counts One, Two, Three, Four, and Five;
2. Statutory punitive damages with respect to Count Five;
3. Attorney's fees with respect to Count Five;
4. Such other relief, legal or equitable, that this Court deems appropriate

PLAINTIFF –
WILLIAM RAVEIS REAL ESTATE, INC.


By: 

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PASSAVANT AND KATE ROSSI)	
<i>Defendants.</i>)	NOVEMBER 12, 2021

STATEMENT OF AMOUNT IN DEMAND

The amount of money damages claimed is greater than Fifteen Thousand (\$15,000) Dollars, exclusive of interest and costs.

By:  _____

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